

KEPPEL OPP'N EXH. 125

From: Jose Magela Bernardes </O=FIRST ORGANIZATION/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=JOSE MAGELA BERNARDES45B>
To: Blair Thomas; Bill Sonneborn; Randall Wade; Derek Lemke; Ronnie Hawkins
CC: Robert Vitale
Sent: 3/10/2015 11:51:00 AM
Subject: RE: SETE - news

Colleagues,

Today Pedro Barusco (former SETE COO) is being quizzed by the Parliamentary Commission of Investigation. There is, thus far, no new issues presented beyond his declarations under the plea bargain process which were made public on Feb 5th.

We shall expect a lot of media coverage on this process and SETE Brasil as one of the top themes. Pedro Barusco is "defending" the SETE Project as well structured and intelligent – good for the country. He said the kick-back on SETE was small (c. \$10 million) and SETE contracts were done and negotiated at market value.

Regards,

Magela

From: Jose Magela Bernardes
Sent: Friday, March 06, 2015 2:43 PM
To: Blair.Thomas@eigpartners.com; Bill Sonneborn; Randall Wade; Derek Lemke; Ronnie Hawkins (Ronnie.Hawkins@eigpartners.com)
Cc: Robert Vitale
Subject: SETE - news

Colleagues,

This week, SETE management had meetings with the government, BNDES, Banco do Brasil and Petrobras going over the potential scenarios for SETE.

- BNDES and Petrobras look more favorable to the 13 Rigs scenario, whereas Banco do Brasil favors the 28 Rig scenario
- Banco do Brasil is leading the conversations insisting that a capitalized SETE would facilitate the negotiations with shipyards and lenders. They are prepared to back BNDES.
- BNDES is still inflexible as far as their CP's are concerned for the LT financing.

The Ministry of Mines and Energy has called a meeting with BNDES and Banco do Brasil, scheduled for next week, to discuss SETE challenges

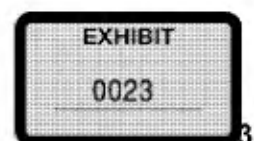
EAS shipyard has started negotiations with SETE – they want to stay in the project under different contractual terms.

Carneiro, SETE CEO, is rumored to be asked to go (he has not yet been officially communicated) to the Parliamentary Commission that is investigating the Car Wash scandal.

The Parliamentary Commission, established this week, have broken their investigation in 4 areas: (i) Over price on the Petrobras Refineries, (ii) Petrobras Special Purpose Vehicles, (iii) Overprice on Petrobras ship freight and (iv) SETE Brasil and sales of Petrobras Assets in Africa.

Note that BTG has acquired significant part of the Petrobras African assets.

Attached a memo sent by BTG to their co-investors at SETE (please keep this confidential).



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Best regards,

Magela

From: Jose Magela Bernardes

Sent: Monday, March 02, 2015 11:19 AM

To: Blair.Thomas@eigpartners.com; Bill Sonneborn; Randall Wade; Derek Lemke; Ronnie Hawkins
(Ronnie.Hawkins@eigpartners.com)

Cc: Robert Vitale

Subject: Sete Brasil Update

Colleagues,

Find attached a resume of the options that SETE is seeking to discuss with key stakeholders (Government, Petrobras, BNDES) in face of latest events. The 3 chosen scenarios outputs (a) maintain 28 Drilling Rig Units, (b) reduce to 19 DRUs and (c) reduce to 13 DRUs are based on a series of pre-determined assumptions such the results can compared.

The next step for the negotiation of LT financing is to reach the government with these scenarios explaining the likely consequences of each one. The number of DRUs is inversely proportional to SETE's ability to deliver the projects, therefore, SETE management position agreed at the board level is to negotiate, if at all possible, the scenario of 13 DRUs. Obviously, this scenario will encounter some opposition from the government.

SETE management and a selected group of investors (EIG, BTG, Santander, FUNCEF, Luce) are working in coordination to further progress on this strategy.

On another hand, SETE is taking legal actions against its former management involved in the Car Wash investigations and has also sent to EAS shipyard letters (under NY law) for their 7 DRUs making reference to the involvement of EAS on the car wash investigation and the consequent delays caused on the LT financing. Letter to other shipyards should follow soon.

I will keep you posted on relevant upcoming facts noting that the media in Brazil is deeply exploring, on a daily basis, any issue related to the Car Wash Operation. Most of the news published are old but given to the public in a orchestrated way.

This week the general prosecutor Mr. Janot should deliver to the Supreme Court the names of the politicians that are involved in the Car Wash Investigation – this should cause quite some ripples in the news media as their names is yet not officially known.

Regards,

Magela